



Legislative Bulletin.....December 6, 2004

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Summary of the Bills Under Consideration Today:

Total Number of New Government Programs: 0

Total Cost of Discretionary Authorizations: At least approximately \$50 million over two years

Effect on Revenue: At least a reduction of about \$1 million over ten years

Total Change in Mandatory Spending: At least a increase of about \$100 million this year and an estimated \$1.35 billion increase over ten years (see explanation for S. 2856 below)

Total New State & Local Government Mandates: 1

Total New Private Sector Mandates: 0

Number of Bills Without Committee Reports: 2

Number of Reported Bills that Don't Cite Specific Clauses of Constitutional Authority: 0

H.Con.Res. 528 — Directing the Clerk of the House of Representatives to make corrections in the enrollment of H.R. 4818-as amended (Young of Florida)

Order of Business: The bill is scheduled for consideration on Monday, December 06, 2004, under a motion to suspend the rules and pass the bill.

Note: H.Con.Res. 528 passed the House on Saturday November 20th. The Senate amended it with a provision that strikes section 222 dealing with access to tax returns and passed it the same day by unanimous consent. The House is scheduled to take up the amended version today.

Summary: H.Con.Res. 528 directs the Clerk of the House to make a number of corrections in the enrollment of H.R. 4818 (the Omnibus). The original corrections resolution, and the amended version up today, deletes a provision inserted in the Omnibus that amended the IRS Code relating to the collection of State unemployment compensation debts, and inserts new authorizing language directing the Treasury Secretary to share information with the Secretary of HHS with respect to people 1) who owe delinquent non-tax debt to the United States; and 2) whose debt has been referred to the Secretary of the Treasury in accordance with 31 U.S.C. 3711(g). **The Secretaries are authorized to use this information to compare with the National Directory of New Hires (commonly called the New Hires or Deadbeat Dad Database) to assist in the collection of delinquent non-tax debt owed to the United States, such as on defaulted small business loans.**

The across-the-board cut included in the Omnibus is also slightly scaled back, both in the original correction resolution, and the amended version up today. The amount of the non-defense, non-homeland-security across-the-board cut in the bill is changed in H.Con.Res. 528 from 0.83% to 0.80%.

H.Con.Res. 528 as amended also addressed a provision included in the Omnibus in the Treasury Transportation Appropriations section (Division H). The provision reads:

[Section 222](#)

["Hereinafter, notwithstanding any other provision of law governing the disclosure of income tax returns or return information, upon written request of the Chairman of the House or Senate Committee on Appropriations, the Commissioner of the Internal Revenue Service shall allow agents designated by such Chairman access to Internal Revenue Service facilities and any tax returns or return information contained therein."](#)

In order to remove this provision from the Omnibus without requiring the House to re-pass the Omnibus, the Senate amended H.Con.Res. 528 with one new provision which reads: "Strike Section 222 of Title II of Division H."

Additional Information: For additional background on the Omnibus "fix" see the December 3rd RSC e-mail entitled Omnibus "Fix" Process.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 required the Secretary of Health and Human Services to develop a National Directory of New Hires. This database contains information on all newly hired employees, quarterly wage reports, and

unemployment insurance claims in the U.S. The National Directory of New Hires is maintained by the Federal Office of Child Support Enforcement in the Administration for Children and Families at the U.S. Department of Health and Human Services, and is kept at the Social Security Administration's National Computer Center. It was created to help states locate parents who were not meeting child support payments and is thus commonly known as the “deadbeat dads database.” Since its inception, the New Hires database has been expanded to track down defaulters on student loans, and for unemployment and federally assisted housing programs. Some of these expansions have been accomplished through previous appropriations bills with the expected savings to the U.S. used as an “offset” to additional appropriations spending in the bill.

Committee Action: The concurrent resolution was introduced on November 20th and not referred to any committees. Included in the House Rule for consideration of the Omnibus, was a provision that read

“SEC. 3. Upon the adoption of this resolution, the House shall be considered to have adopted House Concurrent Resolution 528.”

Thus, when the House passed the Omnibus Rule by a 233-158 vote, it also adopted H.Con.Res. 528. The Senate amended it with a provision that strikes section 222 of Title II of Division H and passed it the same day by unanimous consent. The House is scheduled to take up the amended version today.

Cost to Taxpayers: A CBO cost estimate is not available, though from past inclusions of the New Hires database provisions, it can be reasonably assumed that the New Hires provision in H.Con.Res. 528 will increase revenue to the federal government, by tracking down debtors to the U.S. and possibly collecting on their debts. Because the corrections resolution also includes a decrease in the across-the-board fix, it can also be reasonably assumed that the additional funds are serving as “offsets” for other spending included in the Omnibus.

According to the Ways and Means Committee, the unemployment compensation debt provision that is deleted in the corrections resolution, would have saved approximately \$819 million over five years. The New Hires database provision included in the corrections resolution will save \$125 million in FY05 and \$25 million a year thereafter.

Does the Bill Expand the Size and Scope of the Federal Government?: The concurrent resolution authorizes additional uses of the New Hires database, which initially was created to track delinquent child support payments.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Constitutional Authority: A committee report citing constitutional authority is not available.

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S. 2856 -- To limit the transfer of certain Commodity Credit Corporation funds between conservation programs for technical assistance for the programs (Senator Cochran)

Order of Business: The bill is scheduled to be considered today, December 6th, on the suspension calendar. It passed the Senate by unanimous consent.

Summary: S. 2856 amends the 2002 farm bill to remove a cap on salaries and expenses or “technical assistance” for certain mandatory conservation programs. Currently, the effect of the cap is to ensure that the staff costs needed to implement certain programs, such as the Conservation Reserve Program (CRP) and the Wetlands Reserve Program (WRP), must come from the spending authority of other conservation programs instead of increasing overall conservation spending.

Committee Action: S. 2856 passed the Senate on October 11th and was referred to the House of Representatives. It has not been considered by any House committees.

Cost to Taxpayers: CBO estimates that S. 2856 would cost at least \$1.35 billion over ten years. The conference report to the FY05 Budget Resolution (H. Con. Res. 95) assumed this spending as a “baseline adjustment.” However, normally when the baseline is adjusted in this manner, it is for better economic data or unexpected increases in the cost of mandatory programs, such as higher-than-expected health care costs or new beneficiaries. This adjustment is of a different sort because it requires a policy change and legislation to enact. In addition, since CBO relies on the baseline assumptions of the budget resolution when it “scores” a bill, the official score will not reflect the \$1.35 billion in new spending that will actually occur above current law.

Does the Bill Expand the Size and Scope of the Federal Government?: See above.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

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S. 2657—Federal Employee Dental and Vision Benefits Enhancement Act of 2004 (Senator Collins)

Order of Business: The bill is scheduled for consideration on Monday, December 6th, under a motion to suspend the rules and pass the bill.

S. 2657 passed the by unanimous consent on November 20, 2004. The bill was received in the House on November 24th and held at the desk.

Summary: S. 2657 would allow the Office of Personnel Management (OPM) to establish programs under which supplemental dental and vision benefits are made available to federal employees, retirees, and their dependents. Purchase of the supplemental plans would be voluntary and all costs would be borne by the beneficiary.

OPM would have a limited administrative role in the programs (such as providing plan information to eligible individuals). Any administrative expenses incurred by OPM would be paid from the federal government's Employees Health Benefits Fund. The bill would require companies providing the vision and dental benefit to reimburse OPM for its future administrative expenses after the first contract year begins.

Committee Action: S. 2657 has not been referred to a House committee.

Cost to Taxpayers: The Congressional Budget Office estimates that implementing S. 2657 would increase direct spending by OPM for its administrative expenses by about \$1 million in fiscal year 2005.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: S. 2657 would preempt state and local laws that establish coverage levels or benefit requirements for vision or dental benefits. Such preemptions are intergovernmental mandates as defined in the Unfunded Mandates Reform Act, but CBO estimates that they would not affect the budgets of state, local, or tribal governments.

Constitutional Authority: Senate committee reports are not required to cite constitutional authority.

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H.R. 4012—To amend the District of Columbia College Access Act of 1999 to reauthorize for 2 additional years the public school and private school tuition assistance programs established under the Act (Tom Davis)

Order of Business: The bill is scheduled for consideration on Monday, December 6th, under a motion to suspend the rules and pass the bill.

The House passed a version of H.R. 4012, reauthorizing the DC College Access Program for five years (through 2010), on July 14, 2004, by voice vote. The Senate amended and passed the bill by unanimous consent on November 24, 2004.

Summary: H.R. 4012 would reauthorize the DC College Access Program for two years (through 2007). The program is currently set to expire in 2005. H.R. 4012 does not change the authorization level in current law of "such sums."

Additional Background: The DC College Access Program was created in 1999 (Public Law 106-98). The program permits D.C. residents who are recent high school graduates to pay in-state tuition rates upon admission to any college or university in the country. The federal government pays the difference between the two rates, with public university grants limited to \$10,000 in any award year, with a total cap of \$50,000 per individual. Grants are also provided to students to attend private institutions in the D.C. metropolitan area and private Historically Black Colleges and Universities in Maryland and Virginia of \$2,500 per year, with a total cap of \$12,500 per student.

In FY04, \$16.9 million was provided for the program. The President requested \$17 million for FY05. The FY05 D.C. Appropriations conference report (H.R. 4850) passed by the House in October provides \$25.6 million, a 51.5% increase over FY04 and a 50.6% increase over the President's request.

Committee Action: H.R. 4012 was introduced on March 23, 2004, and referred to the Committee on Government Reform. The committee approved the bill by voice vote on April 1, 2004. However, the committee-approved version of the bill permanently reauthorized the D.C. College Access Program.

Cost to Taxpayers: The Congressional Budget Office estimated that the previous House-passed version of H.R. 4012 would result in additional discretionary spending of \$106 million over the 2006-2009 period, subject to appropriations. There is no cost estimate for the bill under consideration today.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Constitutional Authority: The Committee on Government Reform, in House Report 108-527, cites Article I, Section 8, Clauses 17 (authority to exercise exclusive legislation over the District) and 18 ("all laws necessary and proper").

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H.R. 5394—To amend the Internal Revenue Code of 1986 to modify the taxation of arrow components (Ryan of Wisconsin)

Order of Business: The bill is scheduled to be considered on Monday, December 6th, under a motion to suspend the rules and pass the bill.

Summary and Background: H.R. 5394 would repeal the section of the FSC-ETI bill (Public Law 108-357) related to the excise tax on arrows and replace it with new language. That section of current law eliminated the exception that allowed *imported* arrows to avoid the excise tax paid on domestically produced arrows. Since the law went into effect, the

Internal Revenue Service identified an unintended consequence of the law that would require about 10,000 retailers of arrows and arrow products to collect and remit an excise tax to the federal government—an inadvertent burden on small businesses for what amounts to between \$50,000 and \$70,000 of revenue collected annually (*figures provided by Rep. Ryan's office*).

H.R. 5394 would impose a 39-cent flat fee (subsequently adjusted for inflation) on the first sale of all arrow shafts sold separately or as part of another product (—thereby keeping the incidence of the tax on manufacturers, producers, and importers—as it has always been—and not on retailers. Current law sets the excise tax at 12% of the price of the shaft as sold by a retailer).

The bill would not affect bows.

Committee Action: The bill was introduced and referred to the Ways & Means Committee on November 19th, but the Committee did not officially consider the legislation.

Cost to Taxpayers: The Joint Committee on Taxation estimates that this legislation would reduce revenue by \$1 million over 10 years.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

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